



**MICHIGAN**  
**HOUSE OF REPRESENTATIVES**  
P.O. Box 30014  
LANSING, MICHIGAN 48909-7514

**MINUTES OF THE STANDING COMMITTEE ON AGRICULTURE**

**Wednesday, December 12, 2018    8:15 a.m.    Room 327 House Office Building, Lansing**

Representative Barrett, Chair, called the meeting to order.

**MEMBERS PRESENT:** Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Elder, Phelps, Sabo, Sneller, Cambensy.  
**ABSENT/EXCUSED:** None.

Representative Albert made a motion to adopt the minutes from the meeting held on November 28, 2018. No objections being offered, the minutes were accepted as presented.

The Chair laid SB 1034 before the committee.

SB 1034    (Booher)                      Property tax; exemptions; exemption for qualified forest property; modify.

Senator Booher and Rich Harlow, representing the Michigan Department of Agriculture and Rural Development, testified in support of the bill. Questions and discussion followed.

Matt Blakely, representing the Michigan Department of Agriculture and Rural Development, submitted a card in support of the bill, but did not wish to speak.

The following people submitted cards in opposition to the bill, but did not wish to speak:

Jennifer Smith, representing the Michigan Association of School Boards.  
Bob Kefgen, representing the Michigan Association of Secondary School Principals.  
Dirk Weeldreyer, representing the School Equity Caucus.  
Kathleen Merry, representing the Wayne Regional Educational Service Agencies.  
Paul Liabenow, representing the Michigan Elementary and Middle School Principals Association.  
Peter Spadafore, representing Michigan Association of Superintendents and Administrators.

The Chair laid SB 1130 before the committee.

SB 1130    (Stamas)                      Economic development; renaissance zones; agricultural processing facility requirements; modify.

Senator Stamas testified in support of the bill. Questions and discussion followed.

The following people submitted cards in support of the bill, but did not wish to speak:

Adam Mathis, representing the American Process Incorporated.  
Greg Sudin, City Manager for the City of Alpena.

The Chair laid SB 579 before the committee.

SB 579	(Proos)	Liquor; other; mark-up on spirits; revise based on distiller's production amount.
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Senator Proos testified in support of the bill.

Jon O'Connor, representing the Michigan Craft Distillers Association, and Kevin Slagh, representing Emergent Malt, testified in support of the bill. Questions and discussion followed.

Jared Rapp, owner of the Traverse City Whiskey Company and the Craft Chair of the Michigan Spirits Association, testified in opposition to the bill.

Chairman Andy Deloney and Kerry Krone, representing the Michigan Liquor Control Commission, testified in opposition to the bill. Questions and discussion followed.

The following people submitted cards in support of the bill, but did not wish to speak:

Scott Ellis, representing the Michigan Licensed Beverage Association.  
Andy Such, representing the Michigan Manufactures Association.  
Jason Wadaga, representing Michigan Sugar.  
Rebecca Park, representing the Michigan Farm Bureau.  
Mike Neck, representing Uncle John's Cider Mill.  
Mike Wenkel, representing the Potato Growers of Michigan.

The following people submitted cards in opposition to the bill, but did not wish to speak:

Frank Waters, representing the Michigan Department of Licensing and Regulatory Affairs.  
Lisa Shoemaker, representing the Michigan State Budget Office.

Tony Mitchell, President of the Michigan Spirits Association, submitted a card with a neutral position on the bill, but did not wish to speak.

Matt Blakely, representing the Michigan Department of Agriculture and Rural Development, testified in opposition to a proposed amendment to the bill. Questions and discussion followed.

Chair Barrett explains the proposed amendments to SB 579. Questions and discussion followed.

Matt Blakely, representing the Michigan Department of rural Development and Agriculture, approaches to clarify a question on an amendment for the members. Questions and discussion followed.

The Chair laid the committee at ease, the time being 9:11 a.m.

The Chair brought the committee back to order, the time being 9:12 a.m.

Chair Barrett offered the following amendment to SB 579.

1. Amend page 3, line 14, after **"DISTILLER"** by inserting. **"OR AN OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

2. Amend page 3, line 26, after **"THAT"** by striking out **"AT LEAST 40% OF THE SMALL DISTILLER'S"** and inserting **"THE"**.

3. Amend page 3, line 27, after **"DISTILLATE"** by striking out **"IS"** and inserting **"OF THE SMALL DISTILLER OR THE OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER IS AT LEAST 40%"**.

4. Amend page 4, line 9, after **"DISTILLER"** by inserting **"OR AN OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

5. Amend page 4, line 13, after **"DISTILLER"** by inserting **"OR AN OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

6. Amend page 4, line 16, after **"DISTILLER"** by inserting **"OR THE OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

7. Amend page 5, line 5, after **"DISTILLER"** by inserting **"OR AN OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

8. Amend page 5, line 6, after **"THE"** by striking out **"SMALL DISTILLER'S"**.

9. Amend page 5, line 6, after **"REPRESENTATIVE"** by inserting **"OF THE SMALL DISTILLER OR THE OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

10. Amend page 5, line 9, after **"DISTILLER"** by inserting **"OR THE OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

11. Amend page 5, line 12, after **"DISTILLER"** by inserting **"OR AN OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

12. Amend page 6, line 2, after **"SMALL"** by inserting **"DISTILLER OR AN OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL"**.

13. Amend page 6, line 4, after **"THE"** by striking out **"SMALL DISTILLER'S"**.

14. Amend page 6, line 5, after **"DISTILLATE"** by inserting **"OF THE SMALL DISTILLER OR THE OUT-OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A SMALL DISTILLER"**.

Representative Barrett moved to amend SB 579. The motion prevailed 12-0-0.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Elder, Phelps, Sabo, Sneller, Cambensy. (12/12)**

**Nays: None. (0/12)**

**Pass: None. (0/12) (12/0/0)**

Chair Barrett offered the following amendment to SB 579.

1. Amend page 5, following line 24, by inserting:  
"(ix) **SUGAR BEETS**".

Representative Barrett moved to amend SB 579. The motion prevailed 12-0-0.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Elder, Phelps, Sabo, Sneller, Cambensy. (12/12)**

**Nays: None. (0/12)**

**Pass: None. (0/12) (12/0/0)**

Chair Barret offered the following amendment to SB 579.

1. Amend page 5, following line 24, by inserting:  
"(ix) **HONEY**".

Representative Barrett moved to amend SB 579. The motion prevailed 12-0-0.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Elder, Phelps, Sabo, Sneller, Cambensy. (12/12)**

**Nays: None. (0/12)**

**Pass: None. (0/12) (12/0/0)**

Chair Barrett offered the following amendment to SB 579.

1. Amend page 3, line 21, after "**DISTILLER**" by striking out the comma and inserting "**OF WHICH AT LEAST 40% OF THE BASE DISTILLATE IS DISTILLED FROM GRAIN GROWN AND HARVESTED IN THIS STATE AS DETERMINED BY THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**",.

Representative Barrett moved to amend SB 579. The motion prevailed 12-0-0.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Elder, Phelps, Sabo, Sneller, Cambensy. (12/12)**

**Nays: None. (0/12)**

**Pass: None. (0/12) (12/0/0)**

Representative Howell moved to report SB 579 with recommendation, as amended, as substitute (H-1). The motion prevailed 12-0-0.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Elder, Phelps, Sabo, Sneller, Cambensy. (12/12)**

**Nays: None. (0/12)**

**Pass: None. (0/12) (12/0/0)**

The Chair returned to SB 1034.

Representative Howell moved to report SB 1034 with recommendation. The motion prevailed 8-3-1.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Sneller. (8/12)**

**Nays: Representatives Elder, Phelps, Sabo. (3/12)**

**Pass: Representative Cambensy. (1/12) (8/3/1)**

The Chair returned to SB 1130.

Representative Lauwers moved to report SB 1130. The motion prevailed 12-0-0.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Barrett, Alexander, Lauwers, Howell, Albert, Calley, Frederick, Elder, Phelps, Sabo, Sneller, Cambensy. (12/12)**

**Nays: None. (0/12)**

**Pass: None. (0/12) (12/0/0)**

There being no additional business before the committee, Chair Barrett declared the meeting adjourned, the time being 9:15 a.m.

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Representative Tom Barrett, Chair

Dakota Soda, Committee Clerk (517) 373-0350